Congress of the United States Washington, DC 20515

June 22, 2011

The Honorable Kathleen Sebelius Secretary of Health and Human Services U.S. Department of Health and Human Services 200 Independence Avenue, S.W. Washington, D.C. 20201

Donald Berwick, Administrator Center for Medicare and Medicaid Services 200 Independence Avenue, S.W. Washington, DC 20201

Dear Secretary Sebelius:

We write concerning the Centers for Medicare and Medicaid Services' June 1, 2011 decision to reject Indiana's Medicaid State Plan Amendment (SPA) 11-011 to limit funding to Medicaid providers that perform abortions or operate facilities where abortions are performed. We vehemently disagree with your narrow interpretation of Title XIX of the Social Security Act and believe this represents a significant departure from Medicaid's time-honored practice of having the states – not the federal government – maintain reasonable standards for qualified providers. We are disturbed to note that your decision is simply the latest example of this Administration's alarming pattern of usurping states' authority to manage their Medicaid programs in ways that best meet the needs of their citizens.

Indiana's law HEA 1210, which was passed with bipartisan support by the Indiana General Assembly, prevents taxpayer dollars from being given to "any entity that performs abortions or maintains or operates a facility where abortions are performed" except licensed hospitals or ambulatory surgical centers. On May 12, the Indiana Family and Social Services Administration (FSSA) submitted a Medicaid State Plan that reflects changes made by HEA1210. We fear that your decision could potentially jeopardize future Medicaid services in other states considering similar lawful actions.

Indiana law does not change Medicaid's family planning benefits. It would only change the location at which certain services can be received. Indiana has effectively closed a glaring loophole that has allowed taxpayer dollars to support abortions. In this respect, HEA 1210 ensures full compliance with the spirit of the longstanding and bipartisan federal policy known as the Hyde Amendment. It is equally important to note that any family planning provider in Indiana may receive Medicaid funds for services, if they choose not to perform abortions. However, if they freely determine that abortions are an indispensable part of their business model, they must pursue that model without the support of Hoosiers' tax dollars.

In your recent letter to the State of Indiana, you express your determination that Indiana's SPA 11-011 does not comply with Section 1902(a)(23) of the Social Security Act, which provides that beneficiaries can obtain covered services from any qualified provider willing to

provide such services. We disagree with this conclusion. As CMS made use of less than a quarter of the generous ninety-day review window, it is possible several facts were overlooked. Therefore, we trust that a review of longstanding federal law and legal precedent will assist in a more deliberate and careful evaluation.

Section 1902(a)(23) clearly states that providers must be "qualified to perform the service or services required," and the federal regulations implementing this statute (42 C.F.R. section 431.51) allow states to set "reasonable standards relating to the qualifications of providers." Furthermore, we would draw your attention to Section 1902(p)(1) of the Social Security Act which infers that states may exclude certain providers for any reason. This provision's legislative history, found in Senate Report 100-109, is clear: "This provision is not intended to preclude a State from establishing, under State law, any other bases for excluding individuals or entities from its Medicaid program."

The judiciary has echoed legislative intent. The First Circuit found in First Medical Health Plan, Inc. v. Vega-Ramos that Section 1902(p)(1) "permit[s] a state to exclude an entity from its Medicaid program for any reason established by state law." We believe that Indiana's HEA 1210 and SPA 11-011 set reasonable standards and are well within the letter and the spirit of Section 1902 of the Social Security Act.

Indiana has taken steps to ensure "equal access" for Medicaid family planning services. We understand that the Indiana Family and Social Services Administration (FSSA) believes that HEA 1210 will impact 21 counties in Indiana and has already identified approximately 800 qualified provider locations in those same counties where Medicaid patients may receive family planning services. Since hundreds of facilities will still offer these services, Indiana will continue to meet its obligation to provide quality care.

Finally, persistent media reports indicate that the CMS is considering cutting the entirety of Indiana's federal Medicaid match. We find this particularly disconcerting. We trust that you will not jeopardize care for more than a million Hoosiers over a contentious philosophy. In light of the fact that CMS recently issued an informational bulletin to all states on this issue, we certainly hope that you are not seriously considering jeopardizing care for the nation's 70 million Medicaid beneficiaries.

We ask for your swift reconsideration of Indiana's SPA 11-110. We fully support the intent of HEA 1210 to prevent taxpayer dollars from subsidizing the operational costs of abortions. As representatives of diverse constituencies, we are committed to the deep-rooted right of each state to administer its Medicaid program in a manner consistent with the values and needs of her citizens.

Sincerely,

Marlin Stutzman

Member of Congress

Todd Akin

Member of Congress

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